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September 16, 2008

#### **AGENDA ITEM 4**

**TO: MEMBERS OF THE BENEFITS AND PROGRAM ADMINISTRATION  
COMMITTEE**

- I. SUBJECT:** Request for Proposal (RFP) for Federal  
Legislative Representative
- II. PROGRAM:** Legislation
- III. RECOMMENDATION:** Staff recommends the Committee accept and  
recommend the Board of Administration: 1)  
authorize staff to conduct a RFP for competitive  
solicitation of proposals from qualified firms to  
provide federal legislative representative services  
to CalPERS for a period of five years  
commencing July 1, 2009; and 2) approve the  
Schedule of Events, the evaluation process and  
scoring method.

**IV. ANALYSIS:**

Background

The five-year term of CalPERS' existing agreement with Lussier, Gregor, Vienna & Associates, Inc. (LGVA) expires on June 30, 2009. Staff has developed an RFP to solicit proposals from qualified firms for federal legislative representative services.

As proposed, the RFP will be released on October 15, 2008 with a final filing date for submission of proposals of December 16, 2008. The Board will select the finalists on February 19, 2009 and conduct finalist interviews on April 22, 2009. Staff's goal is to have a final agreement completed and executed by both parties by July 1, 2009. The five-year term of the agreement would commence July 1, 2009, and conclude June 30, 2014.

The RFP is similar to that used to award the current federal legislative representative contract, except for the elimination from the Evaluation Process the option to allow staff to conduct an on-site evaluation of the selected Finalists.

The following documents summarizing the key components of the RFP are attached for your information:

RFP Schedule of Events (Attachment 1)  
Evaluation Process (Attachment 2)

### Services to be Provided

CalPERS intends to retain one firm to serve as CalPERS' Federal Legislative Representative in Washington, D.C. The firm's principal responsibility will be to provide consultation and representation in a timely manner to CalPERS on any federal Executive or Congressional plan to enact legislation or to impose regulations potentially impacting CalPERS and its members. The selected firm's representation will generally cover three Primary Areas of Interest – 1) Retirement Benefits, 2) Corporate Governance/Investments, and 3) Health Benefits – and would be broken down into routine services or services as assigned.

The fees will be structured so that CalPERS will pay a flat monthly "retainer" for routine services, such as monitoring and tracking issues of importance to CalPERS, preparing standard reports, and responding to routine inquiries. Additional projects or services requested by CalPERS will be billed on an hourly rate with a total project budget. Staff believes this fee structure will be more efficient for CalPERS and for the selected firm.

### Evaluation Process

Attachment 2 describes staff's recommendation for the evaluation process including the Board's participation and scoring method. In summary, each proposal package will go through a preliminary review to ensure that minimum qualifications are met. Upon satisfactory preliminary review, the entire proposal will undergo a technical and fee evaluation process conducted by an Evaluation Committee comprised of CalPERS staff. The Technical Proposal Questionnaire could receive up to 300 points and the proposal with the lowest Fee Proposal for all five years of the proposed contract term combined will receive the maximum score of 100 points. After combining the technical and fee scores, the proposals will be ranked from highest scoring to lowest scoring, with a maximum of 400 points. The highest scoring proposal(s), as determined by CalPERS, will be considered finalists.

Each Finalist eligible for further consideration will be required to appear for an oral interview with the CalPERS Board of Administration at a time and place to be determined by CalPERS. Upon completion of the interview process, the Board will rank the Finalist Proposers by motion. The highest ranked Finalist will receive 400 points, and the remaining Finalists will receive points proportionate to their ranking. The incremental difference between Finalists' interview points is derived by dividing the maximum number of points (400) by the number of Finalists eligible for and participating in an oral interview with the CalPERS Board. Each Finalist's interview score will be combined with its Technical and Fee Proposal scores for a maximum total of 800 points.

Award of Contract

Contract award will be made to the Finalist having the highest total score, but may be subject to final negotiations and satisfaction of all requirements. Should negotiations not be successful with the selected Finalist, CalPERS reserves the right, based on its exclusive discretion, to negotiate with the Finalist having the second highest total score. Should negotiations not be successful with the Finalist having the second highest total score, CalPERS reserves the right, based on its exclusive discretion, to negotiate with the Finalist having the third highest total score.

**V. STRATEGIC PLAN:**

This item is not a specific product of the Annual or Strategic Plans, but is part of the regular and ongoing workload of the Office of Governmental Affairs.

**VI. RESULTS/COSTS:**

CalPERS would continue to have the federal legislative representative services from a qualified firm located in the Washington D.C. area.

The cost for these services will be determined based on the fee proposal submitted by the successful Proposer.

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Wendy Notsinne, Chief  
Office of Governmental Affairs

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